



Hector De La Torre

Assembly Member 50th District

News Release

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De La Torre legislation increases contracting opportunities to small business in California

AB 2797 Passed the Assembly Jobs, Economic Development and Economy Committee

SACRAMENTO, CA – In a bipartisan vote, the Assembly Committee on Jobs, Economic Development and Economy passed Assembly Bill 2797 authored by Assemblymember Hector De La Torre (D-South Gate) that will provide an opportunity for small businesses to successfully compete and win state contracts.

"This bill will foster greater participation in the bidding for and obtaining of state contracts by small businesses," said Assemblymember De La Torre. "Small businesses are the core of the state's economy. By creating greater opportunities for small business, the California economy is strengthened."

"Currently, the small business sector acts as suppliers and subcontractors to large businesses and the state's small businesses fulfill a role not adequately addressed by other sectors," said Betty Jo Toccoli, president of the California Small Business Association who is a co-sponsor of the measure.

Specifically, Assembly Bill 2797 increases from 5% to 10% the bidding preference issued by state agencies to certified small businesses submitting specified contract bids to these state agencies. Additionally, the bill increases from 5% to a maximum 10 % the bidding preference issued by state agencies to certified non-small businesses that provide for small business subcontractors in the bid when submitting specified contract bids to these state agencies.

The bill will be heard next in the Assembly Appropriations Committee.

BACKGROUND

The Small Business Procurement and Contract (Chapter 1198, Statutes of 1973) was enacted more than 30 years ago and established the small business preference to foster the engagement of contracts between the state and small businesses. The Act declared, "It is also essential that an opportunity is provided for full participation in our free enterprise system by small business enterprises." The stated intent additionally provides, "the state should aid, counsel, assist, and protect, to the maximum extent possible, the interests of small business concerns in order to preserve free competitive enterprise and to ensure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the state be placed with such enterprises."

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